INFORMATION LETTER

Not for Publication — **NATIONAL CANNERS ASSOCIATION** — For Members Only

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CCC CONTRACTS ISSUED FOR FOUR MAJOR VEGETABLES

Offers to Purchase and Resell Corn, Tomatoes, Peas, and Snap Beans in 1943

The Commodity Credit Corporation has issued and is sending to canners its offer to purchase and resell designated vegetables (corn, peas, snap beans, and tomatoes) which are processed in 1943. The offer is accompanied by an acceptance form and a list of the purchase and resale prices for each of the four vegetables.

Certain procedural and legal questions in connection with the offer will be discussed in a later issue of the INFORMATION LETTER. In the meantime inquiries may be made to the Association regarding questions on which canners desire information.

The offer, acceptance form, and list of prices follow:

Offer of Commodity Credit Corporation to Purchase and Resell Designated Vegetables Which Are Processed in 1943

In order to assure the production and canning or freezing of designated raw vegetables in 1943 for use by the armed services, Lend-lease and civilian supply by providing growers with a market for such vegetables at prices which will average not less than the grower support prices established by the Secretary of Agriculture and by affording canners, freezers, and briners of such

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Hutson Appointed Head of Food Production Agency

J. B. Hutson, president of the Commodity Credit Corporation, has been appointed Associate Administrator of the War Food Administration and will supervise the food production activities of all agencies of WFA. In this post he succeeds Clifford M. Townsend, who has been administrator of FPA since establishment of the food administration.

Mr. Hutson, along with Roy F. Hendrickson, Administrator of Food Distribution, has been appointed also to the executive staff of WFA, according to a May 13 announcement by Administrator Chester C. Davis. He will continue as president of CCC.

DIRECTIVE ON PROCESSOR WAGE ADJUSTMENTS ISSUED

States General Policy, But Details of Interpretation and Procedure Are Still Forthcoming

James F. Byrnes, Director of Economic Stabilization, on May 11 issued a policy directive with respect to wage adjustments in the seasonal and perishable food and feed processing industries. The directive was accompanied by a press statement explanatory of the purpose and basis of the directive. Copies of both of these were mailed the same day to all canners with the suggestion that canners express to the Association their views as to the adequacy or inadequacy of the relief that the directive will afford them in meeting their labor supply problem.

While the directive states the basic policy, questions as to both interpretation and procedure remain to be worked out. Members of the Regional War Labor Boards met in Washington on May 13 and 14 to discuss the directive on wages in the processing industries, also the general directive issued on May 12 by the Office of Economic Stabilization to clarify and define the basis for the War Labor Board in making adjustments under the Executive Order of April 8.

As soon as details on procedure, etc. under the processor wage directive are worked out, the Association will promptly advise the industry.

Text of the press statement issued on May 11 along with the directive is reproduced below:

Director of Economic Stabilization James F. Byrnes today issued a policy directive carrying out the recommendation of the War Labor Board for an adjustment of wages paid by canners and other processors of seasonal and perishable food and feed products. The directive does not represent a departure from the "hold-the-line" order of April 8. It is issued under Section 5 of that order (No. 9328). The directive was issued to prevent loss of perishable foodstuffs which might have occurred if the food processing industries were unable to secure adequate supply of seasonal labor during the coming summer and fall.

The adjustments which the directive permits are limited to the correction of substandard wage conditions, the maintenance of intra-plant differentials

Court Rules on Overtime Pay for Employees of Private Carriers

All Workers Whose Activities Affect Safety Are Still Subject to Wage-Hour Minimum

Recently the Supreme Court clarified the jurisdiction of the Interstate Commerce Commission, under the Motor Carrier Act, over employees of private carriers, and indicated that some cannery employees may not be entitled to overtime under the Wage and Hour Act. On May 3, 1943, it handed down two decisions (*Southland Gasoline Company* v. *J. W. Bayley*, and *Wilson W. Richardson* v. *The James Gibbons Company*, Nos. 581 and 725), denying recovery of overtime to drivers employed by private carriers.

The Wage and Hour Act specifically exempts from its maximum hours provision, all employees for whom ICC has the "power," under the Motor Carrier Act, to establish "maximum hours of service." The Wage and Hour Division, relying on a technical construction of the Motor Carrier Act, always has contended that that exemption is operative only after ICC has exercised its power by issuing regulations, and that until it does so, the overtime provisions of the Wage and Hour Act are applicable to all employees of private carriers. On May 1, 1940, with the issuance of regulations governing the hours of drivers of private carriers (See INFORMATION LETTER No. 789 for June 1, 1940), ICC settled the question for that class of employees, and since that time they have been exempt from the overtime provisions of the Wage and Hour Act during weeks in which their activities subject them to ICC regulations.

In the cases decided by the Supreme Court, however, the drivers sought overtime under the Wage and Hour Act for the period, prior to May 1, 1940, during which ICC regulations were not in effect. In refusing to award overtime, the Court determined that during the time an employee is subject to the power of ICC he is not entitled to the

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adequate to maintain production and efficiency, and the restoration of the customary relationship between wages in the food processing industries and wages paid to labor engaged in agriculture.

The last category of adjustments is necessary because agricultural wages are uncontrolled. Canneries and other food processing plants customarily draw their seasonal labor from the same sources of supply as do the farmers. It was, therefore, necessary to permit processing wages to rise to a point where the ordinary relationship with agricultural wage rates had been restored. Otherwise, it would not be possible to recruit an adequate supply of seasonal labor, and valuable perishable foodstuffs would be lost.

It is also provided that none of the adjustments approved shall exceed the minimum going rates for unskilled labor prevailing in the particular area affected. This insures that wages in the food processing industries will not be allowed to rise to a point where they are out of line with other wages paid for comparable work in the same area.

It is also provided in the directive that wage adjustments which will cause a price increase or be used to resist a justifiable price decrease shall not be permitted to become effective without the approval of the Economic Stabilization Director. This assures that any wage adjustments which are permitted to become effective will harmonize with the "hold-the-line" program and will not be allowed to increase the cost of living.

Text of the directive follows:

Pursuant to Section 5 of Executive Order No. 9328, it is hereby directed:

I. To correct substandards of living of employees engaged in the packing or processing of seasonal and perishable food and feed products and to aid in the effective prosecution of the war, adjustments in wage rates for hourly paid common labor may be approved provided that such adjusted rates do not exceed the rates paid common labor on farms in the vicinity plus the differential (but not more than 8 cents an hour) which existed during the 1940 or 1941 processing season between farm and food processing common labor rates and provided further that rates so established are not higher than the minimum going rates for common labor in the particular labor market area.

II. Adjustments in wage rates for employees paid on a piece-rate system or for employees other than common labor may be approved provided that the rates so established shall not be more than the common labor rates established under Paragraph I above plus differentials not exceeding the minimum differentials which existed during the 1940 or 1941 processing season between these different occupational groups, and shall not exceed the minimum of the going rates for these same occupational groups in the particular labor market area.

III. If the employers involved or OPA certify that the proposed adjustments will not furnish a basis to increase prices or to resist otherwise justifiable reductions in price, the adjustments shall become immediately effective as approved by the Board, otherwise the adjustments shall be subject to the approval of the Economic Stabilization Director.

General Directive Also Issued

On May 12 the Director of Economic Stabilization issued a general policy directive to clarify and define the basis for the War Labor Board in making wage adjustments under the Executive Order of April 8. In issuing this directive, Director Byrnes stated that it was intended to clear up certain questions that have arisen, and said:

1. The directive makes clear that alleged maladjustments between the cost of living and existing wage schedules will be considered by the Board only to the extent necessary to eliminate sub standard conditions of living or to determine wage adjustments within the 15 per cent limit of the Little Steel formula.

2. The directive makes clear the ancillary authority of the Board to make wage adjustments to keep the minimum differentials between immediately interrelated job classifications necessary to maintain productive efficiency.

This authority is needed to enable the Board to avoid intraplant inequities which would otherwise be created by wage adjustments ordered by the Board to eliminate substandard conditions of living or to satisfy the Little Steel formula.

Similar adjustments for immediately interrelated salary job classification may be necessitated, and are authorized, when a longer work week is adopted which creates a maladjustment between the pay of workers on an hourly basis and those on a salary basis.

Adjustments of this character, however, are to be so staggered as to avoid the need for adjustment in higher wage or salary brackets.

3. The directive also makes clear the authority of the Board to make wage adjustments *within the existing price structure and within existing levels of production* for the purpose of stabilizing wage schedules for recognized categories of employments in various labor markets. It does not permit adjustments to correct "inequalities" which were permitted by the Executive Order of October 3, 1942. It does, however, permit the Board to make adjustments in accordance with the language of the Act of Congress of October 2, 1942, "to aid in the prosecution of the war or correct gross inequities," provided such adjustments do not increase prices or increase production costs.

Such adjustments, except where necessary to eliminate substandard conditions of living or to give effect to the Little Steel formula, are not to bring the wages of the worker affected above the minimum of the going rates for comparable work in comparable plants or establishments in the same labor market.

In rare and unusual cases where critical war production cannot otherwise be obtained, the minimum of the preexisting going rates may be stepped up to the next lowest of the going rates for other most nearly comparable work in the same labor market. A good example of such a case is the situation found in the canning and first processing of perishable foods and feeds industries in a number of localities where the necessary seasonal labor to process this year's crops cannot be recruited on the basis of last year's obsolete wage schedules. On May 10, a special directive was issued to deal with this situation.

Apart from the rare and exceptional case, adjustments to the minimum of the applicable going rates are to be made, not to increase existing wage schedules, but only to bring obvious and sporadic stragglers into line.

4. The directive again makes clear that any wage adjustments which may furnish the basis either to increase price ceilings or to resist otherwise justifiable reductions in price ceilings, or if no price ceilings are involved which may increase the production costs above the level prevailing in comparable plants or establishments, cannot become effective until approved by the Economic Stabilization Director.

The text of the directive follows:

Executive Order No. 9328, dated April 8, 1943, is hereby supplemented under Section 5 as follows:

1. In order to provide clear-cut guides and definite limits as a basis for correcting substandards of living, and as a basis for permitting the Board to make within the existing price structure and within existing levels of production costs, minimum and non-inflationary adjustments which are deemed necessary to "aid in the effective prosecution of the war or to correct gross inequities" within the meaning of Section 1 of the Act of October 2, 1942, the Board is authorized to establish as rapidly as possible, by occupational groups and labor market areas, the wage-rate brackets embracing all those various rates found to be sound and tested going rates. All the rates within these brackets are to be regarded as stabilized rates, not subject to change save as permitted by the Little Steel formula. Except in rare and unusual cases in which the critical needs of war production require the setting of a wage at some point above the minimum of the going wage bracket, the minimum of the going rates within the brackets will be the point beyond which the adjustments mentioned above may not be made. The careful application of those wage-rate brackets to concrete cases within the informed judgment of the War Labor Board will strengthen and

reinforce the stabilization line to be held. Maladjustments between wages and the cost of living will be considered by the Board only for the purpose of correcting substandard conditions of living, or determining adjustments within the 15 per cent limit of the Little Steel formula. In connection with the approval of wage adjustments necessary to eliminate substandards of living or to give effect to the Little Steel formula or in connection with the adoption of a longer work week, the Board may approve wage or salary adjustments for workers in immediately interrelated job classifications to the extent required to keep the minimum differentials between immediately interrelated job classifications necessary for the maintenance of productive efficiency.

2. All wage adjustments made by the Board which may furnish the basis either to increase price ceilings or to resist otherwise justifiable reductions in price ceilings, or if no price ceilings are involved which may increase the production costs above the level prevailing in comparable plants or establishments, shall become effective only if also approved by the Economic Stabilization Director. The Board shall cooperate with the Office of Price Administration or such other agency as the Economic Stabilization Director may designate with a view to supplying the Economic Stabilization Director with the data necessary to judge the effect of any proposed wage adjustment on price ceilings and the levels of production costs.

Senate Considering Tax Bill

During the week the Senate began consideration of the Senate Finance Committee's report on H. R. 2750, the withholding tax bill recently passed by the House. (See INFORMATION LETTER No. 933 for May 8, 1943.) In committee, however, the bill was completely rewritten.

A principal change was made in the method for handling 1942 taxes. Under the Senate Committee amendments, individual 1942 income taxes will be completely discharged. Special rules, however, provide for additional taxes in the event an individual's 1942 tax would have been greater than his 1943 tax, or in the event he has substantially increased income during 1942 or 1943. The increase will be determined by reference to a base year, which, at the election of the taxpayer, may be either 1938, 1939, or 1940.

It can be expected that the tax bill will be further amended before final adoption. Until Senate action, and until the appointment of a conference committee by both Houses, it is impossible to predict, with any degree of accuracy, what the withholding provisions will eventually be.

COURT RULES ON OVERTIME PAY

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benefit of the overtime provisions of the Wage and Hour Act, even though ICC has not actually issued any regulations. It thereby decided that drivers of private carriers in interstate commerce were not entitled to overtime, even prior to May 1, 1940, under the Wage and Hour Act.

In an earlier case (*United States* v. *American Trucking Associations, Inc.* (1940) 310 U. S. 534) the Supreme Court indicated the extent of ICC's power to regulate employees of private carriers. It appears that the Commission may issue regulations covering only employees whose activities affect safety of operation. The Commission has determined that the activities of mechanics, loaders, and helpers (in addition to drivers), affect the safety of operations, and for an extended time has been considering the issuance of regulations governing their hours of employment. It has not, however, as yet promulgated them.

Pending clarification of some confusing problems, it is perhaps advisable for canners to continue to pay overtime, under the Wage and Hour Act, to mechanics, loaders, and drivers' helpers. In the *Bayley* case, the drivers were engaged in transporting products across State lines and there was no doubt, therefore, that they were engaged in interstate commerce under the Motor Carrier Act. The Wage and Hour Division, however, will probably contend that some operations, although sufficient to allow the application of the Wage and Hour Act, are not interstate commerce under the Motor Carrier Act and, accordingly, do not justify the application of the exemption. For example, if drivers, during a workweek, engage solely in transporting products within a State, and do not cross State lines or make trips to railheads, the Wage and Hour Division may claim that ICC has no power to regulate their hours of employment. That problem already is familiar to canners, who have been limiting the hours of their drivers under ICC regulations since May 1, 1940. Since loaders, helpers, and mechanics, are at least a step further removed, in the absence of specific ICC regulations, or further clarification of the Motor Carrier Act, canners may prefer to continue present practices. If not, they will certainly have the burden of establishing that the activities of their mechanics, helpers, or loaders affect safety of operations of trucks which engage in interstate commerce under the Motor Carrier Act.

Some clarification of the matter may be expected shortly. It is likely that the Wage and Hour Division will issue a release discussing the implications of the *Bayley* case, or that ICC will issue regulations governing the hours of mechanics, loaders, and drivers' helpers. In any event, however, canners should observe that truck drivers, or any other employees whose activities affect the safety of the operations of their trucks, are still subject to the *minimum wage* requirements of the Wage and Hour Act.

Truck Trailer Order Eased

To encourage the re-assembling and re-building of much needed truck trailers, the War Production Board on May 10 amended Limitation Order L-1-g.

Originally, L-1-g stopped the production of automotive truck trailers (including by implication all types of reconstructed trailers) on June 30, 1942. The amended order excepts "re-assembled trailers" from the prohibition.

Processor Contracts Necessary

Reports are being received by the War Food Administration, it is understood, indicating that in certain areas, growers of crops for canning and processing are failing to consult with canners and processors, and are proceeding with acreage plans without having contracts. Under the joint program of the Department of Agriculture and the Office of Price Administration, growers who do not have contracts with processors for corn, peas, tomatoes, snap beans, lima beans, carrots, beets and cabbage, are not eligible to receive the guaranteed support prices.

Fresh Citrus Pricing

The maximum price schedule for sales of citrus fruits by packers, brokers, auction markets, terminal sellers and intermediate sellers was revised on May 11 by the Office of Price Administration to correct errors in the pricing of 10-pound bags of grapefruit.

The prices previously set for these had been lower in proportion than those set for larger containers and it was to correct this that Amendment No. 3 to Maximum Price Regulation No. 292 (Sales of Citrus Fruits by Packers, Brokers, Auction Markets, Terminal Sellers and Intermediate Sellers) was issued. The amendment became effective at once. The increase runs up to 6.5 cents on the 10-pound bag. The amendment defines a quarter box bag as one containing two-fifths of a bushel.

Applicability of Transportation Tax to Trucking of Canned Foods; Canners Are Advised to Request Specific Internal Revenue Ruling

On December 22, 1942, canners were advised in INFORMATION LETTER No. 914, at page 7401, that a tax of 3 per cent would be imposed on amounts paid for the transportation of property within the United States beginning December 1, 1942. As stated in that issue of the LETTER, the 3 per cent transportation tax applies only to amounts paid to a "person engaged in the business of transporting property for hire." Section 3475 of the Internal Revenue Code, which imposes the tax, also requires the carrier to collect the tax and pay it to the Collector of Internal Revenue at the end of each month.

Application of the Tax

Prior to the issuance of regulations under this section, the Commissioner of Internal Revenue issued a preliminary interpretation of the section indicating that deliveries by a wholesale or retail merchant which are carried on with his own trucks and are merely incidental to his business of selling merchandise, would be exempt from the tax even though a separate charge for the delivery is made to the customer. It was believed that this policy would be extended to processors, and that a canner who did not operate an independent trucking business, but whose trucking activities were merely incidental to his principal business of canning seasonal or perishable fresh fruits or vegetables, would not be required to collect the tax.

The regulations which were issued by the Commissioner of Internal Revenue in February, 1943, did not contain any language exempting incidental trucking activities of processors, and counsel for the Association requested a specific ruling from the Commissioner on this point. The 3 per cent transportation tax is specifically applicable to common or contract carriers by the terms of the regulations, but the Commissioner was advised that the majority of canners who own trucking facilities operate them as private carriers to deliver their own products.

There is quoted below the ruling dated April 29, 1943, which was received from the Deputy Commissioner of Internal Revenue:

"You state that you desire, specifically, to be advised with regard to the application of the tax in the following situations, assuming that the trucking activities are incidental to the canners' regular canning operations and are not carried on as an independent business:

"'1. In many instances it is customary for canners to purchase raw materials delivered to the cannery. Some canners, however, truck the raw materials for farmers who do not have adequate trucking facilities and make a nominal charge for the transportation. The charges are calculated in several different ways—on a ton, mileage, bushel or other basis.'

"Ruling.—Where the canner purchases the raw materials from the farmer f.o.b. the cannery and the title passes to the canner at the plant, the tax would apply to the amounts paid by the farmer for the transportation of the raw materials from the farm to the cannery, since the canner in such case would be considered to be engaged in the business of transporting property for hire. However, where the title to the raw materials passes to the canner at the farm, the canner would be transporting his own property and there would be no taxable transportation involved.

"'2. Many canners sell canned foods f.o.b. canning plant and deliver their canned products in their own trucks to the customers, charging for the transportation.

"'3. Many canners sell on a delivered price basis, and transport the canned foods to the customer in the company's trucks. Assuming that there is no separate charge for the transportation, would a canner be required to collect the tax for this type of trucking activity?'

"Ruling.—If the delivery activities of the canner, as set forth in situations 2 and 3, are carried on with his own employees and equipment and are merely incidental to the business of selling his products, the tax would not apply, even though a separate charge is made for such delivery.

"The status of a manufacturer or processor with respect to the delivery of his products is the same as that of a wholesale or retail merchant, as outlined in paragraph 4 of MT-M-Mimeograph Coll. No. 5447 dated December 7, 1942."

It will be noticed that the test for determining the applicability of the transportation tax to the trucking of raw agricultural commodities is different from that applied to the trucking of the finished canned foods. The test to be applied to the raw material transportation is: Where does title pass? The test with respect to the finished canned foods is: Are the trucking operations incidental to the canner's business of selling the canned foods?

Thus, if a canner carries raw materials to the cannery for a grower and charges for the service, the tax does not apply if title to the raw agricultural commodity passes at the farm; but if title passes at the cannery, the tax does apply and 3 per cent must be collected on all amounts charged the farmer for the transportation irrespective of the method used in computing the freight charges.

On the other hand, if the canner delivers the finished canned goods in his own truck and charges for the service, the tax does not apply if the trucking activities are merely incidental to the canner's principal business.

As a practical matter, it would seem that if the character of the trucking activities is to be considered in applying the tax to the finished canned foods, it should likewise be considered in applying the tax to the raw material transportation, but the Commissioner has ruled otherwise. It should be noted that the Commissioner does not indicate what standard is to be used in determining whether a particular trucking operation is or is not "incidental to the business of selling" canned foods.

In view of the fact that the Act contains a penalty of $10,000 or imprisonment for not more than one year, or both, for willful failure to pay or collect any tax due or file a return, it is suggested that any canner whose trucking activities reach sizable proportions should request a specific ruling from the Commissioner of Internal Revenue as to whether his trucking operations are exempt from the tax.

Exemptions

Certain payments for the transportation of property have been exempted from the application of the tax. Any amount paid by or to the United States or any agency thereof for the transportation of property is exempt from the tax. Thus, where the transportation tax is paid directly by the government agencies or where shipment is made under a government bill of lading, no proof of exemption will be required by the carrier.

If the transportation costs are paid outside of the United States, Alaska or Hawaii, regardless of where the transportation occurs, no tax is imposed. Likewise, no tax is imposed on the transportation of property which is consigned to a foreign country or possession of the United States (other than Alaska and Hawaii) and is actually exported.

If property is shipped from a point outside of the United States, Alaska or Hawaii to a point within the country, the tax applies to any freight charges paid within the United States for that part of the transportation which takes place within the United States. If the freight charges paid in the United States, Alaska, or Hawaii, cover the entire movement from a foreign country to a point within the country, the tax will apply to the pro

rata part of the freight charges which represents transportation within the United States.

Collection of the Tax

All canners who operate trucks which are classified as *contract carriers* under the Interstate Commerce Act, or whose activities are subject to the tax under the Commissioner's ruling quoted above, must collect a tax of 3 per cent upon all amounts paid for the transportation service, and, on or before the last day of each month, make a return on Form 727 and pay the taxes collected for the preceding month to the Collector of Internal Revenue for the district in which his principal place of business is located. In the case of failure to file a return within the prescribed time, 25 per cent of the tax will be added, unless the return is later filed and it is shown that the delay was due to a reasonable cause and not to willful neglect. In that event, 5 per cent of the tax is added for each 30 days the delinquency continues, the additional amount not to exceed 25 per cent. Six per cent interest automatically accrues from the due date upon failure to pay the tax.

Registration

Any canner subject to the transportation tax must file an Application for Registry on Form 800 with the local collector. Failure to register may carry the penalty of $50.

Record 1942 Tomato Pack

The total pack of canned tomatoes amounted to 35,453,580 actual cases (including 30,277 in glass) which is the largest pack of record, according to the Association's Division of Statistics. The 1942 pack exceeded that of 1941—the previous record pack year—by more than 8¾ million actual cases. On the basis of 24/2's, the 1942 pack amounts to 41,247,702 cases.

The following table presents the canned tomato packs of 1941 and 1942 by States:

States	1941 *Actual cases*	1942 *Actual cases*
New York	1,207,562	1,253,676
Maryland	6,067,888	8,093,323
Delaware	268,695	650,676
New Jersey	132,916	278,131
Pennsylvania	601,611	790,469
Virginia–West Virginia	1,896,585	2,404,122
Ohio	1,399,931	1,924,148
Indiana	3,752,683	3,669,736
Tennessee–Kentucky	400,943	1,340,218
Arkansas–Missouri	1,657,382	4,058,682
Colorado	159,837	263,697
Utah	932,940	989,872
California	6,283,021	5,617,706
Other States	1,902,337	4,029,122
Total	26,664,340	35,453,580

WANTED AND FOR SALE

Machinery–Equipment

This column is open only to members of the Association who want to buy or sell canning machinery and equipment. Names of firms listing the items below will be furnished upon application to the Association. In requesting names, please identify items by number.

WANTED

94-W—Five Duples Pease apple parers; also slicers and seed seller for them.

FOR SALE

235-S—Langsenkamp Model B juice extractor.

236-S—Three 100-gallon stainless steel juice tanks, with motors and agitators as one unit.

237-S—Juice strainer.

238-S—Two Kewanee air lift wagon dumps.

240-S—Fifty standard retort crates made of ¼-inch plate perforated; new last year.

MPR 237 Made Mandatory

Maximum Price Regulation No. 237 has been changed from an alternative pricing order to a mandatory order. The purpose of the regulation, as stated in the amended order, is to provide new maximum prices for the particular food products listed in Appendix A. These new maximum prices are to be the only maximum prices for all sales of such food products after the effective date of this regulation and are to be used instead of the maximum prices calculated under any other price regulation or order issued by the Office of Price Administration.

Rotenone Control Transferred

Control over the uses and distribution of rotenone insecticides for agricultural purposes has been transferred to the War Food Administrator by the War Production Board, through the issuance of an amendment to Directive 15. Like pyrethrum, rotenone and any compound containing rotenone combined with other liquid or dry materials, active or inert, has been placed under the direction of the War Food Administrator to insure the efficient distribution to and use of the ultimate agricultural consumers.

WIDE MOUTH GLASS JARS GIVEN SPECIFIC CEILINGS

Eastern Prices Reduced 5%; Western, 7½% in New OPA Regulation

Specific dollars-and-cents price ceilings were established on wide mouth glass containers sold to commercial packers in an order issued by the Office of Price Administration on May 12, effective May 27.

The order—Maximum Price Regulation 382—provides for a return to the July 1, 1941, level of prices, and it reduces current eastern prices by 5 per cent and current western prices by 7½ per cent, according to the OPA press statement.

Special provisions in the regulation cover new standardized containers—first offered for sale in February, 1942,—and glass containers sold in new types of cartons.

However, no new type of wide mouth container may be offered for sale until a maximum price for it has been specifically approved by OPA. Manufacturers may suggest ceiling prices for a whole line or for an individual model. By formula, based on the selection of a comparable container produced by the manufacturer in his line before February, 1942, the manufacturer is allowed to compute his own suggested ceiling for the new containers. The suggested prices under the formula will be in line with prices, costs and margins over the old and comparable container.

Manufacturers will be required to apply to OPA for price authorization on all containers which vary above or below the regulation's listed specification for maximum height, weight and finish dimensions by more than the largest percentage of variation shown during the six months preceding July 1, 1941. This provision actually establishes a floor as well as a ceiling for physical specifications and prevents the possibility of a marked lowering of standards in these respects. Other provisions prevent a lowering of standards in quality of glass used.

The measure incorporated the industry's practices, zone price and transportation customs. Separate maximum prices and transportation practices for areas roughly defined as east and west of the Rocky Mountains, but which are specifically set forth in the regulation, are established.

The "eastern area" is composed of four price zones in which containers are sold f. o. b. factory with full freight allowed to destination on carload and pool-car shipments. In the "western

area," prices are higher but do not represent a uniform differential over eastern ceilings. Prices in the western area are based on f. o. b. factory with full freight allowed on shipments to specified seaports on the Pacific coast. On shipments to destinations in the western area, not specifically listed and excepting Utah shipments, freight is equalized between seller and purchaser by providing four basing points. Only freight from the nearest basing point to the point of destination is paid by the purchaser.

No uniform practice of freight allowance has been established for less-than-carload quantities. Each manufacturer is required to maintain freight practices he applied in sales of less-than-carload shipments on July 1, 1941.

Another provision covering the method of pricing wide mouth containers packed in special cartons, when for reasons of durability and strength these are ordered, requires the manufacturer to continue to absorb as much of the new carton costs as he absorbed since July 1, 1941, in his sale of containers packed in "standard C or No. 2 cartons" —the key carton used by the industry.

Special services of all kinds relating to sales and shipments must be continued by the industry and such services must be supplied to packer-customers at the rates charged by the manufacturer on July 1, 1941.

Narrow-neck and other glass containers remain subject to Maximum Price Regulation No. 188.

The specific prices established are contained in 23 pages of tables in the text of the order. These price tables identify the containers according to overflow capacity, height, and weight, small lot, standard, and large purchasers, maximum finish and minimum shipping quantity.

Apple Syrup in Production

Apple syrup is now in large-scale commercial production, Secretary of Agriculture Claude R. Wickard announced May 10.

Five plants in the United States, located in Virginia, Pennsylvania, New York, California, and Oregon, and one in Canada produced a total of more than 3 million pounds of syrup from the 1942 apple crop.

The tobacco industry is using apple syrup as a replacement for glycerin, needed in making explosives and therefore no longer available for use in the manufacture of cigarettes and other forms of tobacco. That industry will consume practically all of the 3 million pounds of syrup made from the 1942 apple crop.

Report on Tests on Effect Of Solder in Canned Food

As a result of speculation concerning the possible toxicity of solder in the form of small pellets in canned food, an investigation was begun at the Yale School of Medicine in 1939 to test the effect of solder pellets on rats and dogs. The investigation, financed by a grant from the National Canners Association, has been under the direction of Dr. George R. Cowgill, Associate Professor of Physiological Chemistry, and his first reports have appeared in two articles in the *Journal of Industrial Hygiene and Toxicology* for March. Lead in the form of solder pellets was administered in large amounts over an extended feeding period without causing any signs of lead toxicity in either animal.

In view of the interest of these papers to the canning industry, the Association has obtained a number of reprints which are available upon request.

Harper Resigns from WMC

Fowler V. Harper, Deputy Chairman of the War Manpower Commission, has tendered his resignation, it is announced. Mr. Harper is accepting an administrative post in the Office of Imports in the Board of Economic Warfare.

Allocation of Fishery Products

A fair system of allocating production of fishery products among various elements of the fish trade will be placed in effect where necessary after the establishment of ceiling prices on fresh fish, Coordinator of Fisheries Harold L. Ickes has announced.

In a number of areas fishermen follow the practice of selling to the highest bidder, the Coordinator pointed out. With ceiling prices established, this auction system can no longer be followed and to insure canners, filleters, smokers, and wholesale fresh-fish dealers with a fair share of the catch it will be necessary to allocate it among the interests wanting to buy.

Allocation plans will be worked out in various ports, as they become necessary, by representatives of the Coordinator's office working in cooperation with area consultants representing all elements of the fishing industry.

While ceiling prices generally have been established on canned and processed fish by the Office of Price Administration, there are no ceilings at present on fresh fish with the exception of tuna and tuna-like species. OPA has informed the Coordinator's office, however, that price ceilings on other fresh fish varieties are now in the process of being formulated.

The allocation of landings of fishery products is one of the powers which have been delegated to the Coordinator of Fisheries by the War Food Administrator.

Marshall Is Named Deputy Administrator of War Food

The appointment of M. Lee Marshall as Deputy Administrator of the War Food Administration, in charge of WFA programs relating to supplies, machinery, equipment, materials and facilities used in producing and processing food, was announced May 10 by Chester C. Davis, War Food Administrator.

Mr. Marshall is chairman of the board of directors of the Continental Baking Company. For the past seven months he has served as food consultant to Donald M. Nelson, Chairman of the War Production Board. As Deputy War Food Administrator, Mr. Marshall will organize and supervise all work having to do with obtaining allocations of strategic and critical materials for use in food production and processing, and with making these materials and the machinery and supplies fabricated from them available to the ultimate users on the farms and in processing plants.

To carry on these duties, Mr. Marshall will head an Office of Materials and Facilities, which will consolidate the work formerly carried on by the following organizational divisions of WFA and the Department of Agriculture: The Material Control Branch of the Office for Agricultural War Relations; the Facilities Branch of the Food Distribution Administration; the Production Supplies Programs Branch and the Farm Service and Supply Branch of the Food Production Administration; the Priority Services Group of the Commodity Credit Corporation.

Burlap Imports Allocated

Allocation of burlap imports to bag manufacturers for the purpose of manufacturing textile bags, as defined in Conservation Order M-221, has been ordered by the War Production Board.

The Order (M-47, as amended) provides a quota for each bag manufacturer on a basis of the quantity of burlap he used in 1939 and 1940. WPB will assign to each bag manufacturer free burlap quota certificates specifying the quantities which may be purchased during any period.

REVISED FARM MACHINERY RATIONING ORDER IS ISSUED

WFA Regulation Sets Up Distribution Quotas by Counties and States

The War Food Administration has issued a revised farm machinery rationing order (FDO 3—Revised) which brings together in one document the amendments, announcements, supplementary order and interpretations governing its distribution. The farm machinery manufacturing pattern was established by War Production Board Limitation Order L-170. WPB directed most of the farm machinery production for 1943 to smaller manufacturers because it was felt that the larger producers could more easily convert to war production, whereas smaller manufacturers could not.

In revising Food Production Order 3, the WFA divided farm machinery into two general groups. One group lists the machinery and the percentages of their production which manufacturers may distribute without restrictions. This farm equipment is not subject to distribution "quotas" and the principal control is rationing at the farmer level.

The second group governs rationed types of farm equipment and machinery distributed by "quotas," which specify the number of machines to be sold in any State or county, and by "tags," which earmark the machinery for States and counties in terms of these quotas. County quotas may be cancelled, if State War Boards determine this action is necessary, but State quotas remain in effect.

The revised farm machinery rationing order now enables State War Boards, at their discretion, to cancel county quotas on any or all types of quota machinery. This provision is made so as not to delay putting into use farm equipment which arrives late for the season involved. If a State exercises this authority, the tag requirements to the county level are abolished and machinery is only tagged to specify the State in which it is to be sold. Farmers would then be required to locate the machinery they wish to purchase before they are given a purchase certificate.

Similarly, in order to facilitate the movement of machinery, County Farm Rationing Committees are given authority to set the expiration date of purchase certificates between 10 to 60 days after issuance. Certificates may be cancelled at any time after the holder has had a reasonable time to purchase the specified machinery.

The order also increases the percentages of specified farm equipment which manufacturers may distribute without restriction, except for rationing at the consumer level. This is being done because the advancement of the season permits a smaller national reserve.

Quotas and tags are used, it was explained, because most farm machinery produced this year is being made by smaller manufacturers, most of whom have previously distributed only in local areas, WFA officials said. Without directed distribution, most 1943 farm machinery would be sold in the areas formerly served by the smaller manufacturers, leaving little or no machinery for the sections of the country normally served by the larger manufacturers who are no longer producing their usual volume of farm machinery.

SUGAR FOR 1943 CANNING

Allowance for Fruits and Vegetables On Same Basis as Last Year

Under Ration Order 3 and its amendments, canners who pack fruits and vegetables (Tables 1 and 2, Schedule A) will be permitted a *provisional allowance* of sugar in 1943 on the same basis as that allowed for those products in 1942. Packers of pickles, mince meat, catsup, chili sauces, salad dressings, soups, tomato sauces, preserves, jams, jellies, fruit butters, glace fruits, fruit nectars, and maraschino cherries will obtain an *allotment* of sugar on a basis of the percentage indicated in Schedule B of the order.

The *provisional allowance* should be calculated as follows:

"Sec. 1407.87 (a) A registering unit proposing to use sugar for the production of any of the products listed in Sec. 1407.241, Schedule A of Rationing Order No. 3, is eligible for an amount of sugar which is determined by multiplying the number of units of such product which the owner estimates will be produced by the registering unit during the period for which the application is being made, by the quantity of sugar which is permitted in Sec. 1407.241, Schedule A, as the maximum amount per unit of the product. The amount of sugar thus allowed is known as a provisional allowance."

It will not be necessary to re-register with the Office of Price Administration to obtain the *provisional allowance* or the *allotment*. Registration will be required only by those canners who did not use sugar under this order last year. OPA Form No. R-310 is used for this purpose.

A sugar purchase certificate must be used to buy sugar. Application for this certificate is applied for on OPA Form No. 314. For packing fruits and vegetables the amount of sugar for which the certificate is to be issued will be the *provisional allowance*, less any stocks on hand at the time of application. Other adjustments in the amount of the purchase certificate may, however, be made to correct for errors or mistakes in previous applications and usage.

The *provisional allowance* may be used only for the purpose designated under Section 1407.89 of the order:

"(a) No registering unit may use more sugar in any packing season for packing or processing any product listed in Table 1 or Table 2 of Schedule A, Sec. 1407.241, than the amount determined by multiplying the number of units of such product actually packed in such season by the allowance per unit of such product specified in Schedule A.

"(b) No registering unit may use more sugar for packing or otherwise processing any unit of any product listed in Table 4 (Frozen Fruit) or Table 5 (Canned or Cured Meats, Fish and Poultry Regardless of How Packaged) of Schedule A than the amount specified therein as the allowance per unit of such product.

"(c) In determining the quantity of sugar used for the packing or processing of any product listed in Sec. 1407.241, Schedule A, there shall be included all dextrose and corn syrup used for such product on the basis of 1.2 pounds of dextrose or 1.4 pounds of corn syrup as the equivalent of 1 pound of sugar."

A canner obtaining an *allotment* of sugar to pack items listed in Schedule B may use such sugar only for the purpose of the production of the product upon the basis of which such sugar has been established or for the production of any product included within the same class.

Applications for an *allotment* of sugar shall be made to cover for any consecutive two-month period. Applications shall be made not later than the fifth day of the first month of the period for which the application is being made and not earlier than the 15th day of the month preceding the period. The Ration Board, however, in order to prevent loss of fresh fruits and vegetables, may grant a canner permission to make application at any time during the month preceding the period of use.

Industrial users of sugar may now open a ration bank account. All accounts shall be opened in accordance with the General Rationing Order No. 3A, which is now being used by most canners.

The quantity of sugar allowed for home canning last year was left largely to the discretion of local boards, within the limits provided by the order. For

1943, however, a maximum quantity per person has been established for all home canning.

Under Amendment 59 to RO 3, the board may permit a person registered as a consumer to obtain sugar to be used for the purpose of producing from fresh fruits, home processed foods which he intends to transfer for points in accordance with Section 26.3 of RO 13. Such sugar may be obtained at the rate of not more than one pound of sugar per four quarts (or eight pounds) of finished home processed foods. However, the total amount of sugar obtained for such purposes, for the period from March 1, 1943, to February 29, 1944, inclusive, shall not exceed 250 pounds and no more than one such allowance shall be granted to a family unit. (Sec. 1407.71a)

The order states that "notwithstanding the terms of any contract, agreement, or commitment, regardless of when made, and except as otherwise authorized by the OPA or provided in Rationing Order No. 3, or General Ration Order 5, no consumer, institutional user or industrial user shall deliver sugar." Section 1407.109 (b), however, states that "a registering unit which has received a provisional allowance may, with the prior approval of the Board, deliver sugar in original unopened packages of a primary distributor; provided, that the registering unit does not, at the time it makes application for such approval, expect to use any sugar in the next four months and the amount to be delivered does not exceed the unused part of its provisional allowance for the preceding period." Application for the Board's approval is to be made on OPA Form No. R-315. Stamps and certificates received from such transactions shall be surrendered to the Board for cancellation.

The revised order requires that records be kept for a period of two years, which is approximately the same as the provisions of last year's order. A registering unit using sugar during any month for packing or processing any of the products listed in Sec. 1407.241, Schedule A, shall, on or before the 15th day of the following month, file with the Board a written report of the use of sugar for each of such products during the past month, setting forth the number of units by sizes of each product packed or processed and the quantity of sugar used in connection therewith. In the case of the products listed in Tables 1 and 2 of Schedule A, Sec. 1407.241, except fruit juices, there shall be included as a separate item the number of cases of each product packed or processed in terms of cases of 24/2's and 24/2½'s, respectively, on the basis of the conversion table set forth in Table 3 of Schedule A. In the case of fruit juices the quantity packed or processed shall be expressed in terms of gallons.

Farm Practice Resolution

The House Rules Committee, steering committee for policy legislation, approved on May 13 a resolution that would authorize the House Committee on Agriculture to conduct an investigation of farm product distribution costs and practices. The resolution was introduced in the House by Agriculture Committee Chairman Hampton P. Fulmer of South Carolina and is now awaiting favorable House action.

Drive Launched for Salvage Of Lug Boxes, Hampers, Crates

Canners may find of particular value a War Food Administration campaign for the salvage and re-use of fresh fruit and vegetable containers, such as lug boxes, baskets and hampers, and crates. The program was inaugurated to assure adequate supplies of these containers in the face of increased demands. All possible steps that can be taken to assure full use of containers is urged, and stress is placed on the need for care in the handling of containers.

WFA's Food Distribution Administration has available for distribution to interested persons a poster suitable for use around receiving platforms and in the cannery. The poster, in red, white, and blue, graphically compares the materials needed in the manufacture of containers with those needed in implements of war and emphasizes the need to save and re-use baskets, boxes, and crates. The Association will obtain copies upon request.

Crown Can Elects Cooling

S. Carle Cooling was elected vice president in charge of packers cans sales at the recent annual meeting of the Crown Can Company, according to an announcement by Richard P. Swartz, president of the company. Mr. Cooling, who has spent his entire life in the can-making industry, recently has been serving as general sales manager of the packers can division of the Crown Company. He is a past director of the Canning Machinery & Supplies Association, a member of the Old Guard Society of the canning industry, and sponsor of the Young Guard Society.

Order Regulates Ascorbic Acid

Under an amendment to General Preference Order M-269, controlling deliveries of ascorbic acid (Vitamin C), the War Production Board on May 10 simplified the method of allocating this vitamin.

Users of ascorbic acid in food products no longer are required to submit Form PD-600 to WPB each month for authorization to accept delivery of the material. Instead, the purchaser merely places his customary purchase order with his supplier and the supplier makes application to WPB for approval of his delivery schedule, certifying the end use planned by his customer. The order affects all chemical compounds of ascorbic acid, but does not cover standard dosage forms or ascorbic acid incorporated into feeds, foods and beverages, or ascorbic acid of natural origin.

The amended order changes the allocation month from the period beginning with the 15th of any month and extending through the 14th of the succeeding month, to the regular calendar month. Allocations to customers for the period from May 15 to May 31 will be made as before.

Customers must place their purchase orders for the period beginning with June 1, and each calendar month thereafter, in time for the employer to report to WPB his schedule of deliveries for the ensuing month before the 20th of the preceding month. The customer who buys ascorbic acid for the purpose of filling government agency contracts or approved export licenses must show contract numbers or license numbers on his purchase order to his supplier.

Refrigeration Unit Ceiling

Ceiling prices for commercial refrigeration and commercial refrigeration apparatus have been ordered reduced by the Office of Price Administration.

Every level of distribution is covered by the action. Manufacturers' prices were revised by Amendment No. 4 to Order A-1 under Maximum Price Regulation No. 188 and other sellers were affected by Amendment No. 109 to Supplementary Regulation No. 14 to the General Maximum Price Regulation, effective May 10, 1943.

The action provided that on May 10 all sellers reduce their ceiling prices by an amount equal to the Federal excise tax previously paid on the sales of commercial refrigeration equipment under the provisions of the Revenue Act of 1941. The tax on this type of equipment was subsequently repealed by the Revenue Act of 1942.

Canned Milk Statistics

The March output of canned unsweetened evaporated whole milk is estimated by the Department of Agriculture at 252,869,000 pounds. Although 26 per cent below the output in March last year, it was 38 per cent above the 1937-41 average for the month.

Sweetened condensed milk (canned) production in March was estimated at 10,004,000 pounds. This was 64 per cent more than was made in March last year and double the March 1937-41 average.

1943 Flag Week Observance

The annual Flag Week observance, commemorating the birthday of the American flag on June 14, 1777, this year will be dedicated to the War Savings Program, according to an announcement by the United States Flag Association. The week of June 8-14 has been designated as a period during which efforts will be made to sell 100 million dollars worth of War Bonds, over and above normal purchases for the week. Local Flag Week War Bond committees will be appointed by mayors of the various cities and towns, and cooperation with these committees is urged.

Members of the Flag Association have pledged themselves to forego things that they need in order to buy more bonds during Flag Week. They are urging others to participate by observing the campaign's slogan, "Save by Sacrifice."

Secretary of the Treasury Morgenthau has characterized the Flag Week war bond tie-up as "fitting" and one that "should result in a great contribution to the war effort."

In accepting honorary chairmanship of the campaign, Secretary of War Stimson pointed out that "the armed forces are the direct beneficiaries of these funds" and commended "the forthcoming celebration as a time for further evidence that the symbol of our freedom requires not only our deepest respect but our fullest support."

Canned Foods Endorsement

"Our experience with canned foods has been entirely satisfactory. We consume about 25 tons of canned foods per month."

This endorsement of the service of canned foods on the fighting fronts has been received by the Association from a medical officer assigned to a battleship in the tropics, and is based on his observation over a three and a half month period of action.

ASSOCIATION'S CONSUMER COMPLAINT SERVICE DESCRIBED

Considerable Decrease in Number of Complaints Reported Since First of Year

Except for a brief statement which appeared in the INFORMATION LETTER for March 28, 1942, regarding an extension of the protective plan until March, 1952, it is more than three years since special attention has been called to the services available to Association members in connection with consumer complaints alleging illness or injury from their products.

For the information of the large number of canners who have joined the Association since that time, it seems desirable to publish another statement regarding the principal features of the service, even though conditions arising out of the war have caused a marked decrease in the number of complaints reported to the Association, particularly since January 1. Details of the handling of the consumer complaint work, briefly, are as follows:

The Association will investigate any consumer complaints involving canned products packed by its members.

When requested by a member, the Association will arrange for the defense of any suit arising from such complaints, whether brought against the canner or the distributor, provided the general counsel of the Association approves, and the member agrees to pay any judgment that may be rendered against the defendant.

The Association pays the expenses of investigation, the fees and expenses of lawyers whom it engages to conduct the defense, and fees and expenses of medical and bacteriological experts, if the Association's counsel decides their testimony necessary in defending suits.

The facilities of the Association's research laboratories are available for examination of samples and exhibits secured by investigators, and the laboratory personnel is available for furnishing expert testimony, when considered necessary. This service also is rendered without charge to members.

The Association does not pay traveling expenses of a member or distributor, or any of their officers or employees, incurred in connection with a suit; nor does it pay stenographic, commissioners' or counsel fees incurred in taking of depositions of members or of any officers or employees of members.

The Association does not assume responsibility for the outcome of a suit, nor does it pay any judgment or any part thereof. However, the trustees of the Special Protective Fund, under provision of a trust indenture dated March 12, 1942, may contribute, under conditions specified in the indenture, to the payment of judgments or settlements in excess of $1,000, provided that the amount payable by the trustees shall in no case exceed $24,000.

The Association will send to any member, upon request, a more detailed statement, including the rules governing this service, and a summary of the principal provisions of the trust indenture referred to above.

Prospects for Increase in Glass Container Production

Production of glass containers in 1943 can be increased over 1942, if manpower, transportation and an adequate supply of materials are available, the Glass Container Manufacturers Industry Advisory Committee said at a recent meeting with War Production Board officials in Washington.

Granted adequate supplies, the committee estimated that 1943 production will be 92.5 million gross (13.3 billion containers). This would compare with 79.1 million gross (11.3 billion containers) in 1942.

Despite shortages of fuel, cartons, and manpower, glass container production in January, February, and March of 1943 totaled 21.5 million gross (3.1 billion containers), compared with 19.5 million gross (2.8 billion containers).

The committee added that during the first quarter of 1943 emphasis was placed on the production of food containers. As a result, production of such containers in the first quarter of 1943 was approximately 20 per cent above that in the corresponding period of 1942.

The committee recommended that prompt action be taken in averting shortages of materials or manpower when they first appear. It said that the labor shortage has not yet caused any great loss of production in the glass container and closure industries. However, it reported the drain on experienced employees has been heavy and the labor turnover great. Nevertheless, individual plants have preserved a nucleus force around which to group and train new workers when obtainable.

Baltimore Exchange Officers

Following are the officers of the Baltimore Canned Foods Exchange, elected for 1943-44 at the annual meeting on May 6: President, Robert W. Mairs; vice-president, William E. Lamble, Jr.; treasurer, E. Elmer Langrall; secretary, Ernest H. Langrall.

HOME PROCESSED FOODS

Defined in Article Added to RO 13; Conditions of Packing Cited

Ration Order 13 has been amended by the addition of a new Article, No. XXVI, entitled "Home Processed Foods." Under the definition given in this article, a person is considered to produce home processed foods if he takes an active part in the processing of such foods, or contributes the fruits or vegetables for processing by others, or contributes facilities, such as steamers, pressure cookers, or the kitchen to be used by others to produce such foods.

A commercial canner may pack canned foods for any person and have such foods classified as "home processed foods" provided that person supplies all the ingredients in an amount necessary to produce such foods. Not more than 100 quarts of such processed foods per member may be acquired by or for any family unit, under this section, in any calendar year. He may acquire such processed foods point-free only if he gives to the processor a signed statement that the foods to be processed were grown by a member of his family unit, together with the names of each member of his family unit.

The person for whom home processed foods are packed need not be an employee of the factory. As a matter of fact, the order states, with respect to groups of persons who may pack "home processed foods" in a commercial factory, that "neither the person who owns or who normally operates the facilities used, nor an employee of this person, does any of the processing."

OPA has interpreted this to mean that technical employees, not common labor, are permitted to participate in the home canning activity.

Ozark Spring Meeting Date

The spring meeting of the Ozark Canners Association is scheduled for June 11 at the Colonial Hotel, Springfield, Missouri.

Western Washington Crops

In anticipation of the planting of a greater acreage of vegetable, seed and feed crops and a possible fertilizer shortage, fertilizer placement studies by the Western Washington Agricultural Experiment Station at Puyallup were greatly enlarged in 1942. The studies undertaken in connection with growing peas, beets, spinach, carrots, spinach for seed, and sweet corn, are published in the latest report of the station, for the fiscal year ended March 31, 1942.

The best rates and ratios of commercial fertilizers for the efficient production of Western Washington crops also have been studied by this station, and recommendations are made in the report.

The development of new varieties of disease-resistant strawberries and raspberries, and of better varieties of peaches for canning are being studied at this station.

Refrigerator Pricing Levels

Methods of pricing used refrigerating and air-conditioning equipment of less than 25 horsepower, which is sold as part of the War Production Board's program of converting such equipment for use in war industries, have been made effective, by the Office of Price Administration, under the provisions of Amendment 162 to Supplementary Regulation 14. It provides that users of such equipment may resell it to the manufacturers on a basis of total installed costs less five per cent yearly depreciation.

Hearing on Minimum Wage

Recommendations of a fruit and vegetable canning industry committee that a minimum wage of 40 cents an hour be established under Section 6 of the Wage and Hour law, were submitted at a public hearing in Washington, on May 10, to Administrator L. Metcalf Walling of the Wage and Hour Division. In addition, representatives of the Tri-State Packers Association requested that special consideration be given the establishment of a minimum wage rate in excess of 30 cents an hour for employees engaged in piece work.

On the basis of the evidence presented at the hearing and the recommendations of the industry committee, the Administrator will either approve the proposed 40-cent minimum or refer the proposals to an industry committee for further consideration. Whatever action is taken by the Administrator will be reported in the INFORMATION LETTER.

Pamphlet on Absenteeism

Requests from war contractors for information and control methods on the subject of absenteeism have led the Department of Labor to make a special study, resulting in the preparation of a pamphlet which sets forth the experiences of management in dealing with absenteeism in some 200 outstanding war plants. Copies of the pamphlet, entitled "Controlling Absenteeism," may be obtained on request to the Division of Labor Standards, U. S. Department of Labor, Washington, D. C.

Amendment Eases Restrictions On Packages for Frozen Foods

Restrictions imposed by Limitation Order L-239 on the manufacture of paper boxes for packaging frozen foods have been removed by the order as amended on May 8 by the War Production Board.

Under the order, paperboard used in folding and setup boxes for packaging frozen foods was restricted to specified thickness. Heavy demand for such boxes has resulted in the development of new types. The amendment permits the use of the new type boxes, and helps the frozen food program.

WFA Aid to Growers

According to officials of the War Food Administration, that agency will purchase vegetables grown for fresh distribution and divert them to processing establishments during the coming season should unusually heavy supplies develop. This action would be taken to maintain favorable marketing conditions for growers of such crops as peas, carrots, lima beans, tomatoes, onions, etc.

WFA also plans to cooperate with grower, trade, and consumer groups in focusing consumer buying attention on the various fresh market commodities as they become available in large quantities. Programs such as this were carried on last year when the Department of Agriculture fostered its series of "Victory Special" campaigns.

Price Agency Directory Issued

A new Directory of Commodities and Services designed to help persons contacting the Office of Price Administration to find the unit which has specific knowledge of their problems was made public May 11.

The directory indicates the price regulations applicable to each commodity and class of services, and the OPA unit which handles it. By use of an alphabetical list of commodities the visitor to OPA can find the individual he is seeking and his telephone extension number. The commodity list covers a total of 5,000 items. Items affected by rationing orders are annotated.

The current issue is the first of the directories to be made public. The publication will be revised and reissued periodically hereafter. The new directory may be obtained from the Superintendent of Documents, Washington, D. C., for 30 cents.

RUST PREVENTION TESTS

Laboratory Experiments With Coating Material Applied by Spray

Tests on the commercial application of coating materials to the outside of filled cans to prevent rust due to exposure and to afford camouflage protection are being conducted by a Committee on Rust Prevention through the Research Laboratory of the National Canners Association. These tests, which were undertaken at the request of Army officials, have been carried on with the active cooperation of manufacturers of paints, waxes and equipment.

On May 6 and 7 tests with the use of spray equipment as the method of application were made at the Mount Morris, N. Y., factory of the Snider Packing Corporation. Coating materials were applied to the cans as they rolled past stationary spray guns, and the coating dried as the cans were carried along on a cable runway. A number of mechanical difficulties developed in the handling of the coated cans, but these were largely overcome and a satisfactory series of test lots was obtained. Different kinds of paint materials, also different kinds of wax coatings, were applied by the spray equipment. Much valuable information was obtained in making the tests, and undoubtedly improvements in the test materials and in the details of the mechanical application will result.

The coated cans are to be tested for rust resistance in each of two ways. The first test is the regular salt-spray test as developed by the American Society of Testing Materials, and this will be carried on at the National Bureau of Standards in Washington. The other test is in the nature of a field service test designed to simulate conditions encountered in the outlying Army positions. Three cases of each lot of test cans will be placed in the special solid fiber overseas cases and submerged in sea water until the cases are entirely filled. The cases will be taken out and allowed to stand in the open, subjected to the rain, air, and sunshine, and the cans will be examined periodically to note the development of rust on the outside of the cans.

At the conclusion of these tests, a complete report will be made to the Army officials who requested the investigation.

Sufficient Pectin Expected

The pectin industry expects 1943 production to be adequate for civilian as well as military and Lend-lease requirements, the War Food Administration said on May 11. The situation was discussed at a recent meeting of the Food Distribution Administration's Pectin Industry-Food Advisory Committee.

It was pointed out that the production of pectin this year will be the equivalent of approximately 6 million pounds of the powdered product—nearly twice the normal output. Government requirements will be a little less than half that amount.

Situation on Labeling

As reported in the INFORMATION LETTER for May 1, and again in the issue for May 8, the Office of Price Administration has not yet made announcement of its final decision on the grade labeling question. The Association appreciates the anxiety of canners to obtain definite information for their guidance, as well as the difficulties arising from the delay in action by the OPA. It again assures canners that when the decision is announced, the Association will promptly advise all canners.

Used Container Meeting Called

Dealers in used fresh fruit and vegetable containers have been invited by the Office of Price Administration to attend a meeting May 18 at 10 A.M. in New York City, for the purpose of discussing a maximum price regulation. Also invited to the meeting are representatives of chain stores, and the National Association of Retail Grocers. The Department of Agriculture will be represented.

At present used fresh fruit and vegetable containers are under the General Maximum Price Regulation.

CCC CONTRACTS ISSUED FOR FOUR MAJOR VEGETABLES

(Continued from page 7651)

vegetables a satisfactory arrangement under which they may contract, at such prices, with growers for the production and sale of such vegetables, Commodity Credit Corporation (hereinafter called "Commodity Credit"), a corporate agency of the War Food Administration, hereby makes the following offer to any canner, freezer, or briner (hereinafter referred to as "the Processor"):

1. *Vegetables Covered by this Offer*

This offer covers the following raw vegetables: tomatoes, green peas, sweet corn, snap beans, and such other vegetables as Commodity Credit may hereafter designate.

2. *Acceptance of Offer*

The Processor may accept this offer with respect to any vegetable by inserting the name of the vegetable in the space provided therefor in the Acceptance of Offer by Processor (1943 CCC Vegetable Form 2) attached hereto, completing and executing such Acceptance, and returning the Acceptance to Commodity Credit on or before July 1, 1943, or on a later date approved by Commodity Credit if the Processor fails to accept by July 1, 1943, because an adjustment in the purchase price for the vegetable has been requested pursuant to paragraph 10 hereof or because of any other reason satisfactory to Commodity Credit. Submission of such Acceptance shall complete a separate contract as to each vegetable named thereon, except as provided in paragraph 6 hereof, and each such contract shall cover all of the Processor's plants in which the vegetable is processed in 1943 and all types of processing (i.e., canning, freezing, and brining) of the vegetable.

3. *Purchase and Resale of Vegetables*

If a quantity of a raw vegetable as to which the Processor accepts this offer (hereinafter referred to as a "vegetable") is received at any of the Processor's plants after January 28, 1943, and is processed by the Processor in 1943, there shall be deemed to have occurred or to occur, at the time of receipt at such plant, whether such receipt occurs before or after such acceptance, and at the prices provided in paragraph 4 hereof, a purchase by Commodity Credit from the Processor and an immediate resale by Commodity Credit to the Processor of that portion (determined in accordance with paragraph 9 hereof) of such quantity of the vegetable which is processed into products which are sold for civilian consumption (i.e., sold to purchasers other than government agencies): *Provided*, That, if such quantity of the vegetable is brined, the portion so purchased and resold shall be the portion of such quantity which is brined and subsequently canned into products which are sold for civilian consumption.

4. *Purchase and Resale Prices*

(a) The purchase price to be paid by Commodity Credit to the Processor for a quantity of a vegetable (hereinafter referred to in this offer as the "purchase price") shall be the purchase price specified in the attached table or any amendment thereto (such table and amendments are hereinafter referred to in this offer at Table I) for the vegetable or variety thereof for the area in which such quantity of the vegetable is delivered to or grown by the Processor.

(b) The resale price to be paid by the Processor to Commodity Credit for a quantity of a vegetable (hereinafter referred to in this offer as the "resale price") shall be the resale price speci-

fied in Table I for the vegetable or variety thereof for the area in which the plant at which such quantity of the vegetable is processed is located.

(c) If, after the issuance of this offer, the Office of Price Administration increases the maximum prices applicable to the 1943 pack of a vegetable, Commodity Credit may increase the resale price by an amount equal to the allowance (or the amount of the increased allowance if there was an allowance in the previous maximum prices) which the Office of Price Administration notifies Commodity Credit in writing has been made in such increased maximum prices to cover the increased cost of the vegetable to processors in 1943 over 1942. Any such increased resale price shall be applicable to the tonnage of the vegetable or variety thereof purchased and resold by Commodity Credit the products from which are sold under such increased maximum prices or which are available for sale on the date of submission of the final Application for Settlement, or, if such Application is amended, on the date of the last amendment thereof, if such increased maximum prices are in effect on such date.

(d) No amendment to the attached table shall lower any purchase price or, except as provided in subparagraph (c) of this paragraph 4, raise any resale price.

5. *Minimum Prices to Growers*

(a) The Processor shall pay to each grower for the quantity of a vegetable purchased for processing in 1943 under a contract with the grower to produce the vegetable and sell it to the Processor not less than the support price specified in Table I (hereinafter referred to in this offer as the "support price") for the vegetable or variety thereof for the area in which such quantity of the vegetable is delivered to the Processor, or, if a State War Board approves a schedule of prices applicable to the different grades or varieties of a vegetable delivered to the Processor in an area, the Processor shall pay prices not less than those specified in such schedule to each grower for the quantity of the vegetable delivered to the Processor by the grower in such area and purchased on a grade or variety basis for processing in 1943 under a contract with the grower to produce the vegetable and sell it to the Processor. No amendment to the attached table shall raise the support price for any vegetable or variety thereof for any area unless the purchase price for the vegetable or variety thereof for the area is also increased in an equal amount.

(b) The weighted average price paid by the Processor for the total tonnage of a vegetable, or, if different support prices are applicable to two or more varieties of the vegetable, for the total tonnage of each such variety, purchased by the Processor (including open market purchases), delivered to the Processor in any area, and processed at any one of the Processor's plants in 1943 shall be not less than the applicable support price for such area, unless the Processor establishes to the satisfaction of Commodity Credit that such weighted average price is lower than the support price as a result of purchases made on a grade or variety basis at weighted average prices not less than the prices specified in a schedule of prices approved for the different grades or varieties of the vegetable by the State War Board for such area.

(c) To the extent approved by the State War Board for any area or permitted in any contract approved by the State War Board for any area, payment of the prices which the Processor is required to pay to growers under this paragraph may be made in part in services or supplies furnished to the growers or in transportation furnished on behalf of and with the approval of the growers.

6. *Certification as to Contracts with Growers*

Although the Processor accepts this offer as to a vegetable, a contract shall not result from such acceptance and Commodity Credit shall have no obligations hereunder unless and until the State War Board for each State in which the Processor has a plant certifies that the Processor has, to the extent deemed practicable by the State War Board, contracted or endeavored to contract with growers, on forms of contracts approved by the State War Board and at prices not less than those provided in paragraph 5(a) hereof, for the production and sale to the Processor of the vegetable for processing in 1943 in the plants in such State, on customary terms and conditions as to delivery, fees to be charged by the Processor, rights to silage, and other matters ordinarily contained in such contracts.

7. *Appeal by Processor*

In the event of any disagreement between a State War Board and the Processor concerning a schedule of prices approved by the State War Board, the eligibility of any plant for certification, or failure to certify a plant within a reasonable time, the Processor shall have the right to appeal to the War Food Administrator. The decision of the War Food Administrator shall be final.

8. *Failure of Processor to Comply with Offer*

If the Processor commits a material breach of the terms and conditions of this offer as to a vegetable, Commodity Credit shall have the right to rescind the contract resulting from the Processor's acceptance of this offer as to such vegetable, and, in such event, Commodity Credit shall be relieved of all obligations to the Processor with respect to such vegetable and the Processor shall repay to Commodity Credit all amounts paid to the Processor with respect to such vegetable: *Provided*, That, in lieu of rescinding the contract, Commodity Credit may, at its option, agree with the Processor to a reduction in the amount which the Processor would have been entitled to hereunder if he had fully performed all of the terms and conditions of this offer.

9. *Settlement*

(a) (i) The Processor shall submit separate Applications for Settlement (1943 CCC Vegetable Form 3) to Commodity Credit for each vegetable, for each plant in which it processes such vegetable in 1943, and for each type of Processing. All Applications for Settlement shall be prepared in accordance with instructions to be issued by Commodity Credit. The Processor shall submit a final Application for Settlement after the completion of any type of processing of any vegetable at any plant in 1943, but in no event later than December 31, 1943, unless Commodity Credit approves a later date upon a showing by the Processor prior to December 31, 1943, that it will not be possible to submit a final Application for Settlement by December 31, 1943. Prior to the submission of such final Application for Settlement, the Processor may submit not more than two preliminary Applications for Settlement for such vegetable, type of processing, and plant.

(ii) As soon as practicable but not later than 120 days after receipt of an Application for Settlement, Commodity Credit shall, if such Application for Settlement is satisfactory to it, make payment to the Processor of the amount due to the Processor under such Application for Settlement.

(iii) In case a quantity of products processed from a vegetable is sold to a government agency but the sale is later rescinded or the products later resold to the Processor at not less than the original sales price, or in case a quantity of products processed from a vegetable is set aside for sale to government agencies but is later released to the Processor for sale for civilian consumption, the Processor may, if a final Application for Settlement has theretofore been submitted, amend such final Application for Settlement to include such quantity of products in the total quantity available for civilian consumption: *Provided*, That no final Application for Settlement shall be amended after March 31, 1944, unless Commodity Credit approves an extension of such date. If, at any time, the total amount paid by Commodity Credit to the Processor is in excess of the amount due to the Processor because the Processor has made sales of products to government agencies in excess of those shown in the final Application for Settlement or because of any other reason, the Processor shall immediately refund the portion of the amount paid by Commodity Credit which is in excess of the amount actually due to the Processor.

(iv) If the type of processing covered by an Application for Settlement is brining, and if any quantity of the brined vegetable was sold to and canned by another processor, the Processor shall obtain from such other processor a statement satisfactory to Commodity Credit concerning the canning of the brined vegetable and the sale of the products therefrom and attach such statement to his Application for Settlement.

(b) In computing the amount due to the Processor under this offer with respect to each vegetable, plant, and type of processing, the following procedure shall be used:

(i) The per cent of the total quantity of each product and style of pack thereof obtained from the total tonnage of the raw vegetable received at the plant after January 28, 1943, and processed at the plant in 1943 by such type of processing (such total tonnage is hereinafter referred to in this paragraph 9 as the "total tonnage") which has been sold or is available for sale for civilian consumption shall be determined. If the type of processing is canning, the total quantity of various container sizes of each product and style of pack thereof shall be converted to the equivalent number of cases of twenty-four No. 2 size cans before determining such per cents. If the type of processing is brining, the products and styles of pack thereof shall be the products and styles of pack obtained by canning the total quantity of brined vegetable obtained from the total tonnage.

(ii) The total tonnage shall be allocated among such products and styles of pack thereof in proportion to the quantity and packout (average weight of raw vegetable processed to produce a quantity of the product and style of pack thereof) of each such product and style of pack.

(iii) The portion of the total tonnage purchased and resold by Commodity Credit shall be determined by multiplying the tonnage of the vegetable allocated to each such product and style of pack thereof by the per cent of the product or style of pack which has been sold or is available for sale for civilian consumption and adding the products.

(iv) If different purchase prices are specified in Table I for the vegetable for two or more of the areas in which the total tonnage was delivered to or grown by the Processor, for the purpose of determining the portion of the tonnage of the vegetable purchased and resold by Commodity Credit which was delivered to or grown by the Procesor in each area, the portion of the total tonnage of the vegetable purchased and resold by Commodity Credit shall be prorated among such areas in proportion to the portion of the total tonnage of the vegetable delivered to or grown by the Processor in each area.

(v) If a portion of the total tonnage was delivered to or grown by the Processor in an area in which different purchase prices or resale prices are specified in Table I for two or more varieties of the vegetable, the tonnage of each such variety purchased and resold by Commodity Credit shall be computed separately as if each such variety were a separate vegetable.

(vi) If the resale price has been increased pursuant to paragraph 4(c) hereof, the portion of the tonnage of the vegetable purchased and resold by Commodity Credit to which such increased resale price is applicable shall be a percentage of the portion of such tonnage delivered to or grown by the Processor in each area equal to the percentage of the products obtained from the total tonnage which is sold under the increased maximum prices on which such increased resale price is based or which is available for sale on the date of submission of the final Application for Settlement, or, if such Application is amended, on the date of the last amendment thereof, if such increased maximum prices are in effect on such date.

10. *Adjustment of Purchase Price in Unusual Cases*

(a) If, in addition to the minimum support prices required to be paid to growers hereunder, the Processor incurs additional costs in order to obtain a vegetable delivered at his plant, the Processor may request an increase in the purchase price for the vegetable to cover such additional costs. Such request shall be supported by such information as the Processor considers as establishing such additional costs. The Processor shall also furnish such additional information as Commodity Credit may request. If Commodity Credit determines, upon the basis of all information available to it, that the purchase price should be increased to cover all or part of such additional costs, it will make such increase in the purchase price as it determines to be appropriate.

(b) If the maximum price established by the Office of Price Administration for the 1943 pack of a vegetable and the costs of the Processor, including the cost of the raw vegetable at the minimum support prices required to be paid to growers hereunder, are such that the Processor, notwithstanding the purchase and resale by Commodity Credit of the vegetable at the prices specified in this offer, will suffer or has suffered an undue hardship, the Processor may at any time, either before or after acceptance of this offer, request an increase in the purchase price for the vegetable in order to relieve such hardship. Such request shall be supported by such information as the Processor considers as establishing the existence of such hardship. The Processor shall also furnish such additional information as Commodity Credit may request. If Commodity Credit determines, upon the basis of all information available to it, that the Processor has suffered or will suffer an undue hardship and that such hardship should be relieved in whole or in part, it will make such increase in the purchase price as it determines to be appropriate.

11. *Records and Reports*

The Processor shall keep complete and accurate books, records, and accounts at each of its plants with respect to all operations and transactions relating to each vegetable, including the names and addresses of all persons from whom it receives quantities of the vegetable for processing in 1943; the area in which delivered to the Processor; the quantity received from each person (by virtue and grade, if purchased on such basis); the purchase prices paid; the names and addresses of all persons to whom it sells any portion of the 1943 pack of the vegetable; and the quantity sold to each person, by product, style of pack, and container size. Such books, records, and accounts shall at all times be open to audit and inspection by the Corporation or its authorized representative. The Processor shall furnish Commodity Credit with such information and reports as it may from time to time request.

12. *Cooperative Associations*

The provisions of this offer respecting prices to be paid to growers shall not apply to the prices which are paid by cooperative associations to their members, but all other provisions of this offer shall be applicable to such cooperative associations.

13. *Definitions*

For the purpose of this offer:

(a) "Raw" means not previously canned, frozen, or brined.

(b) "To can" means to place properly prepared raw vegetables in hermetically sealed containers of metal, glass, or other material and process them by the use of heat in order to insure their preservation.

(c) "To freeze" means to subject properly prepared raw vegetables to temperatures below their freezing points, either before or after such vegetables are placed in containers, in order to insure their preservation.

(d) "To brine" means to add to properly prepared raw vegetables a solution of salt (NaCl, with or without other chemicals) strong enough to insure preservation of the products.

(e) "To process" means to can, freeze, or brine.

(f) "Plant" means a building or group of buildings operated as one establishment in which foods are processed.

(g) "Person" means any individual, partnership, cooperative, corporation, association, or other business entity,

(h) "Canner" means any person engaged in the business of canning foods at one or more canning plants.

(i) "Freezer" means any person engaged in the business of freezing foods at one or more freezing plants.

(j) "Briner" means any person engaged in the business of brining foods at one or more brining plants.

(k) "Product" means a processed commodity derived from a vegetable.

(l) "1943 pack of a vegetable" means the total quantity of all products derived by a Processor in 1943 from the vegetable.

(m) "Government agency" means any officer, board, agency, commission, or government-owned or government-controlled corporation of the United States.

(n) "State War Board" means the board established for a State by the Secretary of Agriculture in his Memorandum No. 921, as supplemented, or such agency as may be designated by the War Food Administrator to perform the functions which such Board is to perform hereunder.

(o) "Area" means a State or portion of a State as specified in the first column of the attached table or in any amendment thereto.

(p) The "area in which a quantity of a vegetable is delivered" means the area in which the Processor begins to bear the cost of transporting the vegetable to one of its plants.

(q) "War Food Administrator" means the Administrator of the War Food Administration or his authorized representative.

(r) "Commodity Credit" means Commodity Credit Corporation or its authorized representative.

(s) "Grower" means any person engaged in producing vegetables.

Signed, sealed and attested at Washington, D. C., this 11th day of May, 1943.

ACCEPTANCE OF OFFER BY PROCESSOR

(1943 CCC Vegetable Form 2)

To: Commodity Credit Corporation,
Washington, D. C.

Your offer as set out in the "Offer of Commodity Credit Corporation to Purchase and Resell Designated Vegetables Which Are Processed in 1943" (1943 CCC Vegetable Form 1) is hereby accepted as to the vegetables shown below for all of the undersigned Processor's plants (including all plants operated by the Processor or by any corporations or other associations owned or controlled by the Processor) which will process such vegetables in 1943. There is shown below, or on attached sheets if the space below is inadequate, the location of each plant at which each such vegetable will be processed in 1943.

Vegetable	Location of Plants
(Enter name of each vegetable as to which offer is accepted in a separate section.)	(List city and State for each plant)

The undersigned certifies that, to the best of his knowledge and belief, the information shown herein and on any attached sheets is true, complete, and correct.

In Witness Whereof, the undersigned has executed this acceptance of said offer this _____ day of _____, 1943.

(If Processor is a corporation, affix its seal and have attested by its Secretary or corresponding official)

Attest _____

Title _____

(If Processor is not a corporation, have witnessed by two witnesses)

_____
Witness

_____
Witness

_____
(Name of Processor)

By _____
(Name of agent or officer)

Title _____
(Partner, president, or other title)

Style of Firm _____
(Corporation, partnership, individual, etc.)

Office Address _____

_____

Received by Commodity Credit Corporation

_____ 1943

By _____

TABLE I

Commodity Credit Corporation 1943 Purchase and Resale Prices to Processors for Specified Processing Vegetables

SNAP BEANS

Area	Support or purchase price	Resale price [1]
	Per ton	*Per ton*
Region I:		
Maine	$90.00	$62.00
New Hampshire	90.00	62.00
Vermont	90.00	62.00
Massachusetts	90.00	62.00
Rhode Island	90.00	62.00
Connecticut	90.00	62.00
Region II:		
New York	100.00	88.00
Region III:		
New Jersey	90.00	75.50
Pennsylvania	90.00	75.50
Delaware	90.00	75.50
Maryland	90.00	75.50
Virginia	90.00	75.50
West Virginia	90.00	75.50
Arkansas	90.00	75.50
Oklahoma (Eastern) [2]	90.00	75.50
Missouri (Southern) [2]	90.00	75.50
Oklahoma (Remainder)	80.00	75.50
Missouri (Remainder)	80.00	75.50
North Carolina	80.00	75.50
South Carolina	80.00	75.50
Georgia	80.00	75.50
Florida	80.00	75.50
Alabama	80.00	75.50
Mississippi	80.00	75.50
Louisiana	80.00	75.50
Texas	80.00	75.50
Kansas	80.00	75.50
Kentucky	80.00	75.50
Tennessee	80.00	75.50
Region IV:		
Ohio	80.00	66.00
Indiana	80.00	66.00
Michigan	80.00	66.00
Illinois	80.00	66.00
Wisconsin	80.00	66.00
Iowa	80.00	66.00
Nebraska	80.00	66.00
Minnesota	80.00	66.00
North Dakota	80.00	66.00
South Dakota	80.00	66.00
Region V:		
Montana	80.00	58.50
Wyoming	80.00	58.50
Colorado	80.00	58.50
New Mexico	80.00	58.50
Idaho (Except Southwestern)	80.00	58.50
Utah	80.00	58.50
Arizona	80.00	58.50
Nevada	80.00	58.50
Region VI:		
California		
Pole beans	110.00	84.50
Other beans	80.00	64.50
Washington	110.00	84.50
Oregon	110.00	84.50
Idaho (Southwestern) [4]	110.00	84.50

SWEET CORN

Region I:		
Maine	$28.00	$23.50
New Hampshire	28.00	23.50

Area	Support or purchase price	Resale price [1]
	Per ton	*Per ton*
Region II:		
Vermont	22.00	14.50
Rhode Island	17.00	14.50
Connecticut	17.00	14.50
Massachusetts	17.00	14.50
New York	19.00	14.50
Pennsylvania	19.00	14.50
New Jersey	19.00	14.50
Delaware	19.00	14.50
Maryland	19.00	14.50
Virginia	19.00	14.50
West Virginia	17.00	14.50
Kentucky	17.00	14.50
Tennessee	17.00	14.50
North Carolina	17.00	14.50
South Carolina	17.00	14.50
Georgia	17.00	14.50
Florida	17.00	14.50
Alabama	17.00	14.50
Mississippi	17.00	14.50
Region II:		
Louisiana	17.00	14.50
Arkansas	17.00	14.50
Missouri	17.00	14.50
Kansas	17.00	14.50
Oklahoma	17.00	14.50
Texas	17.00	14.50
Region III:		
Ohio	17.00	13.50
Indiana	17.00	13.50
Illinois	17.00	13.50
Iowa	17.00	13.50
Nebraska	17.00	13.50
Minnesota	17.00	13.50
Wisconsin	17.00	13.50
North Dakota	17.00	13.50
South Dakota	17.00	13.50
Michigan	17.00	13.50
Montana	17.00	13.50
Wyoming	17.00	13.50
Colorado	17.00	13.50
New Mexico	17.00	13.50
Arizona	17.00	13.50
Utah	17.00	13.50
Nevada	17.00	13.50
Idaho (except Southwestern)	17.00	13.50
Region IV:		
Washington	23.00	19.75
Oregon	23.00	19.75
California	23.00	19.75
Idaho (Southwestern) [4]	23.00	19.75
GREEN PEAS		
Region I:		
Maine	$87.50	$72.00
New Hampshire	89.50	72.00
Vermont	89.50	72.00
Massachusetts	89.50	72.00
Connecticut	89.50	72.00
Rhode Island	89.50	72.00
Pennsylvania	89.50	72.00
New York	87.00	72.00
New Jersey	85.00	72.00
Delaware	90.00	72.00
Maryland	90.00	72.00
Virginia	88.50	72.00
West Virginia	85.00	72.00
North Carolina	85.00	72.00
Region II:		
Ohio	79.50	64.00
Indiana	76.00	64.00
Michigan	77.50	64.00
Illinois	84.00	64.00
Wisconsin (Northwestern) [5]	81.50	64.00
Wisconsin (Southeastern) [7]	84.00	64.00
Minnesota	81.50	64.00
Iowa (Southwestern) [9]	75.50	64.00
Region II (Continued)		
Iowa (Central) [9]	85.00	64.00
Nebraska	75.50	64.00
Kentucky	85.00	64.00
Tennessee	85.00	64.00
North Dakota	72.50	64.00
South Dakota	72.50	64.00
Kansas	72.50	64.00
Missouri	72.50	64.00
Oklahoma	72.50	64.00
Arkansas	72.50	64.00
Texas	72.50	64.00
Louisiana	81.50	64.00
Mississippi	81.50	64.00
Alabama	81.50	64.00
Georgia	81.50	64.00
Florida	81.50	64.00
South Carolina	81.50	64.00
Region III:		
Montana	69.00	57.50
Idaho	64.00	57.50
Wyoming	72.00	57.50
Utah	77.50	57.50
Colorado	73.00	57.50
Nevada	75.00	57.50
Arizona	75.00	57.50
New Mexico	70.00	57.50
Region IV:		
Oregon	78.00	60.50
Washington	78.00	60.50
California	73.00	60.50
TOMATOES [10]		
Region I:		
New York (Lower Hudson River Valley [11] and Long Island)	$27.00	$20.00
Connecticut	27.00	20.00
New York (Remainder)	24.00	20.00
Pennsylvania (excluding Southern)	24.00	20.00
Maine	22.00	20.00
New Hampshire	22.00	20.00
Vermont	22.00	20.00
Massachusetts	22.00	20.00
Rhode Island	22.00	20.00
Region II:		
Pennsylvania (Southern) [12]	27.00	23.00
New Jersey	27.00	23.00
Delaware	27.00	23.00
Maryland	27.00	23.00
Virginia	27.00	23.00
West Virginia	27.00	23.00
Region III:		
North Carolina	22.00	18.50
South Carolina	22.00	18.50
Georgia	22.00	18.50
Florida	22.00	18.50
Alabama	22.00	18.50
Mississippi	22.00	18.50
Louisiana	22.00	18.50
Arkansas	22.00	18.50
Missouri	22.00	18.50
Kansas	22.00	18.50
Oklahoma	22.00	18.50
Texas	22.00	18.50
Region IV:		
Ohio	22.00	17.50
Kentucky	22.00	17.50
Tennessee	22.00	17.50
Indiana	22.00	17.50
Michigan	22.00	17.50
Illinois	22.00	17.50
Wisconsin	22.00	17.50
Minnesota	22.00	17.50
Region IV (Continued)		
Iowa	22.00	17.50
Nebraska	22.00	17.50
North Dakota	22.00	17.50
South Dakota	22.00	17.50
Region V:		
Montana	22.00	16.50
Idaho (excluding Northern)	22.00	16.50
Wyoming	22.00	16.50
Colorado	22.00	16.50
Utah	22.00	16.50
New Mexico	22.00	16.50
Arizona	22.00	16.50
Nevada	22.00	16.50
Region VI:		
Washington	25.00	20.00
Oregon	25.00	20.00
Idaho (Northern) [13]	25.00	20.00
California (excluding Southern)	25.00	20.00
California (Southern) [14]	27.00	20.00

[1] As provided in the contract, the resale prices will be increased to the extent that ceiling prices of finished products may include allowances for increases from 1942 to 1943 in the costs of the raw vegetables processed by processors.

[3] Includes following counties: Delaware, Mayes, Wagoner, Tulsa, Cherokee, Adair, Muskogee, Sequoyah, Haskell, Le Flore, Pushmataha, Choctaw, McCurtain.

[5] Includes following counties: McDonald, Newton, Barry, Lawrence, Stone, Christian, Greene, Taney, Webster, Douglas, Ozark, Howell, Texas, Shannon, Oregon, Carter, Ripley, Butler, Stoddard, Dunklin, Pemiscot, Wright, New Madrid, and Mississippi.

[4] Includes following counties: Ada, Canyon, Owyhee, Gem, Payette, and Washington.

[5] Includes following counties: Ada, Canyon, Owyhee, Gem, Payette, and Washington.

[6] Includes following counties: Ashland, Barron, Bayfield, Buffalo, Burnett, Chippewa, Clark, Douglas, Dunn, Eau Claire, Florence, Forest, Iron, Jackson, La Crosse, Langlade, Lincoln, Marathon, Monroe, Oneida, Pepin, Pierce, Polk, Portage, Price, Rusk, St. Croix, Sawyer, Taylor, Trempealeau, Vernon, Vilas, Washburn, Wood.

[7] Includes following counties: Adams, Brown, Calumet, Columbia, Crawford, Dane, Dodge, Door, Fond du Lac, Grant, Green, Green Lake, Iowa, Jefferson, Juneau, Kenosha, Kewaunee, Lafayette, Manitowoc, Marinette, Marquette, Milwaukee, Oconto, Outagamie, Ozaukee, Racine, Richland, Rock, Sauk, Shawano, Sheboygan, Walworth, Washington, Waukesha, Waupaca, Waushara, Winnebago.

[8] Includes following counties: Mills, Fremont, Page.

[9] Includes following counties: Hamilton, Story, Franklin, Benton.

[10] Except in southern California, the support or purchase prices and the resale prices for Italian or pear-shaped tomatoes are $2 per ton greater than the prices listed for round tomatoes. In southern California the support or purchase price for Italian or pear-shaped tomatoes is $27.00 per ton and the resale price is $20 per ton.

[11] Includes area lying below the city of Albany and closely adjacent to the Hudson River.

[12] Includes following counties: Bucks, Montgomery, Philadelphia, Delaware, Chester, Lancaster, York, Cumberland, Adams, Franklin, Fulton, Bedford, Somerset.

[13] Includes following counties: Boundary, Bonner, Kootenai, Benewah, Latah, Nez Perce, Lewis, Idaho, Clearwater, Shoshone.

[14] Includes following counties: San Diego, Imperial, Orange, Riverside, Los Angeles, San Bernardino, Ventura, Santa Barbara (South of Gaviota Pass).

FREIGHT RATE SAVINGS

Sizable Reductions in Schedules Made Following Petition from OPA

More than 350 million dollars will be saved on an annual basis by American consumers, including the Government, and by producers, processors, and distributors as a result of the reduction in railroad freight rates scheduled to go into effect May 15, according to a statement issued by the Office of Price Administration. The reduction was ordered by the Interstate Commerce Commission following a petition from OPA on the ground that further collection of increases granted early in 1942 was unnecessary and inflationary in effect.

In from 15 to 20 instances where reductions will not be automatic, amendments are being issued to insure that the freight savings are passed on to consumers, Administrator Prentiss M. Brown said. These are mostly in the fields of food, fuel, machinery, and industrial materials.

In a number of instances, notably in the food field, study is being carried on beyond the May 15 date, especially with an eye to further rollbacks in prices that might be based on the reduced freights.

In most cases, OPA stated, reductions will be carried through to the consumer automatically, as, for example, in the case of food regulations which control prices through establishing dollars-and-cents ceilings at the canner or country shipper level and then specify maximum mark-ups over costs for wholesalers and retailers. Such regulations pass on the savings in freight after the product leaves the canner or country shipper. However, where specific action is required and seems advisable it is being taken or is planned.

Illustrative of some of the technical changes in regulations, which will be issued individually, is a correction in the regulation for processors of canned fruits and vegetables to adjust freight charges downward so as to eliminate an added freight charge that was authorized following the increase of March 18. Elimination of the increase will be required also in provisions covering prices for products in new container type sizes in the regulations for canned vegetables, canned fruits and berries, dried and canned apples and apple products, and for frozen fruits, berries and vegetables. Several specifically designated prices for corn are being corrected to adjust them to the lower freight, although in most instances the reduction here, as in most regulations, is automatic.

QUOTAS TO BE RESERVED FOR GOVERNMENT LOWERED

While the new reservation order FDO 22.4 superseding FDO 22.2 and 22.3 had not been officially released at the time the INFORMATION LETTER went to press, the following figures are understood to be the percentages that will be embodied in the order. As will be noted, the amount of each product to be set aside for the Government is divided into a basic reservation and a contingency reservation. The latter is to be held for emergencies that may develop in government requirements and need not be packed in the perferred can sizes.

Field buyers have been advised of the quotas to be reserved and are actively at work. It is expected that they will soon be able to advise individual canners of the amounts that are to be set aside by them.

Canned product	1942 Production (millions of cases; No. 2½ cans for fruits; No. 2 cans for vegetables)	Reservation percentages, based on 1942 production			
		Basic percentage	Contingency percentage	Total reservation percentage	Previous reservation percentage
Apples	3.8	52	8	60	63
Applesauce	3.5	16	2	18	41
Apricots	3.2	50	7	57	60
Blueberries	.3	42	5	47	100
Berries [1]	.7	29	4	33	50
Cherries, sour	2.5	34	5	39	70
Figs (Kadota)	.7	75	11	86	100
Fruit Cocktail	5.6	51	7	58	64
Peaches [2]	15.0	41	6	47	55
Pears, Bartlett	5.8	53	7	60	60
Pineapple	9.0	44	6	50	70
Pineapple Juice	6.2	22	3	25	37
Orange juice, Fla.	2.3	45	.....	45	45
Orange juice, other	.8	21	.....	21	21
Blended citrus juice	1.6	100	.....	100	100
Grapefruit juice	9.0	68	.....	58	58
Grapefruit segments	3.2	19	.....	19	19
Asparagus	4.3	32	6	38	43
Lima beans	2.6	37	7	44	37
String beans	24.0	21	4	25	38
Beets	7.0	33	6	39	100
Carrots	2.3	49	9	58	130
Sweet corn	32.0	23	5	28	40
Peas	36.0	20	3	23	48
Pumpkin and squash	2.2	20	4	24	51
Spinach	9.5	35	6	41	48
Tomatoes	41.0	24	4	28	40
Tomato catsup	9.0	47	9	56	61
Tomato juice	25.2	36	7	43	43
Tomato puree	5.0	25	4	29	71
Tomato paste	3.4	26	4	30	40

[1] Blackberries, boysenberries, loganberries and youngberries.
[2] Not including California free stones.